

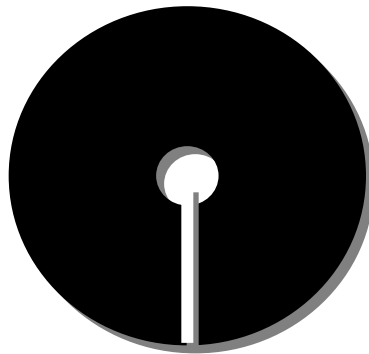
STATE LEVEL BANKERS' COMMITTEE, BIHAR

**33RD REVIEW MEETING
FOR THE QUARTER ENDED 30TH JUNE 2010**

VENUE: HOTEL CHANAKYA, PATNA

DATE: 08.09.2010

TIME: 10.30 AM



CONVENOR:

STATE BANK OF INDIA

SLBC DEPARTMENT (5TH FLOOR)

LOCAL HEAD OFFICE, WEST GANDHI MAIDAN

P A T N A- 800 001

PH.NO. 0612-2209076 / FAX- 0612-2209075

WEBSITE - <http://slbc.bih.nic.in>

A G E N D A I T E M S

ITEM NO.	SUBJECT	PAGE NO.
I	CONFIRMATION OF THE MINUTES OF THE 32 ND SLBC MEETING HELD ON THE 17 TH JUNE 2010	2
II	ACTION TAKEN REPORT ON THE 32 ND SLBC MEETING	3 - 6
	KEY INDICATORS	7
III	REVIEW OF ACHIEVEMENT AS ON 30 TH JUNE 2010	8-9
	DROUGHT IN BIHAR - RELIEF MEASURES BY BANKS	10-11
	FINANCIAL INCLUSION	12
IV	EDUCATION LOANS	13
	PM'S NEW 15 POINT PROGRAMME FOR THE WELFARE OF THE MINORITY COMMUNITY	13
	GOVERNMENT SPONSORED SCHEMES/ PROGRAMMES	13-14
	(A) BIHAR GROUND WATER IRRIGATION SCHEME (BIGWIS)	14
V	(B) PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME (PMEGP)	14
	(C) SWARNJAYANTI GRAM SWAROZGAR YOJANA (SGSY)	15-16
	(D) SWARNJAYANTI SHAHARI ROZGAR YOJANA (SJSRY)	16
VI	FINANCING TO SELF HELP GROUPs	17
	KISAN CREDIT CARD (KCC)	18
	NATIONAL AGRICULTURE INSURANCE SCHEME (NAIS)	18-19
	DAIRY, FISHERY AND POULTRY	19
VII	FARM MECHANISATION	19
	SMALL ROAD TRANSPORT OPERATORS (SRTOs)	19
	ADVANCES GRANTED UNDER CGTMSE COVERAGE	20
	ADVANCES GRANTED TO UNITS PROVIDING STORAGE FACILITY	20
	CD RATIO	21
VIII	RECOVERY, NPA & WRITE-OFF AND CERTIFICATE CASES	22-23
	PRIORITY SECTOR LENDING- AGRI. CREDIT, DRI, WEAKER SECTION	23-24
IX	EXTENSION OF BANKING SERVICES TO VILLAGES HAVING POULATION OF MORE THAN 2000 BY MARCH 2012	25
	BANKING CODE	26
	INTEREST SUBSIDY SCHEME FOR HOUSING THE URBAN POOR (ISHUP)	26
X	OPENING OF "NO-FRILLS" ACCOUNTS FOR STUDENTS BELONGING TO MINORITY COMMUNITIES SEEKING SCHOLARSHIPS	27
	SCHEME FOR PROVIDING LOANS TO PERSONS BELONGING TO SCHEDULE CASTES (BELOW POVERTY LINE): SUB PLAN UNDER SUBSIDY SCHEME	27-28
	PRADHAN MANTRI ADARSH GRAM YOJANA (PMAGY)	28

STATE LEVEL BANKERS' COMMITTEE

33RD MEETING

NOTES ON AGENDA ITEMS

AGENDA-I

CONFIRMATION OF MINUTES OF THE

32ND STATE LEVEL BANKERS' COMMITTEE MEETING

HELD ON THE 17.06.2010

The House may please confirm the Minutes of the 32nd State Level Bankers' Committee meeting held on the 17th June 2010.

AGENDA-II

ACTION TAKEN REPORT ON THE 32ND SLBC MEETING

[1] ACTION POINT- The ACP targets should be selectively reviewed and revised, if warranted, within 10 days.

(Action: - SLBC and concerned banks)

ACTION TAKEN: - In accordance with the decision taken in the SLBC meeting, a meeting of Steering Committee of SLBC was held on 19.06.2010 to review/ revise the targets allocated under Annual Credit Plan 2010-11. It was decided by the Steering Committee that since the bank-wise, sector-wise and district-wise targets have already been circulated to all concerned, the bank-wise and sector-wise targets need not be reviewed/ revised. However, within the overall targets allotted to each bank, the district-wise targets for non-priority sector advances may be reviewed/ revised. Also, keeping in view the decision taken in the SLBC meeting, two additional members, one each from Canara Bank and Uttar Bihar Gramin Bank were included in the sub-committee constituted for working out the ACP targets. The sub-committee re-worked the district-wise targets of Canara Bank under Non-Priority Sector as requested by them. The revised targets were circulated to all concerned by our letter No. RBU-I/SLBC/680 dated 06.07.2010. Details of the revised targets are given on **Page-28 E to J** for ratification by the House.

[2] ACTION POINT- Credit camps should be organised in all the block-offices for issuing KCCs and loaning under BIGWIS etc. on 9th July and 9th August and all banks must participate in these camps with their full team.

(Action: All Banks)

ACTION TAKEN: - As per information gathered by the SLBC, the Mega Credit Camps for financing under KCC & BIGWIS were organised at almost all the Blocks in the State, and due to these camps banks have extended loans to 125981 new farmers worth Rs. 515.46 Crore under KCC and Rs. 33.43 Crore under BIGWIS during the quarter under review.

[3] ACTION POINT- No-frill account holders should be provided overdraft facility as per extant instructions of RBI. A General Credit Card upto Rs.10000 may also be provided to no-frill account holders.

(Action: All Banks)

ACTION TAKEN: - Controlling heads of all banks had been advised by the SLBC to instruct their operating functionaries to extend overdraft facility and General Credit Card upto Rs.10000/- to all the eligible and willing no-frill account holders. Accordingly, banks have provided loans to no-frill account holders to the tune of Rs. 27.86 Crore covering 41141 persons. Details are furnished on **Page-6A**

[4] ACTION POINT- Thrust should be given to financing under farm-mechanisation schemes.

(Action: All Banks)

ACTION TAKEN: - Banks were advised to extend more finance for purchasing farm equipments and other items under farm mechanisation. Also, specific targets were given to individual banks for providing loans under farm mechanisation. As advised by major banks operating in Bihar, an amount of Rs 42.28 Crore has been provided to 1688 farmers upto June 2010. Details are given on **Page-20D**

[5] ACTION POINT- A full-day sensitisation workshop should be convened for LDMs/ DDMs/ DDCs to apprise them of the ACP targets and other relevant issues discussed in the SLBC.

(Action: SLBC and Government of Bihar)

ACTION TAKEN: - The workshop is expected to be held around 15th September 2010.

[6] ACTION POINT- Segregated data should be provided regarding financial assistance provided to small/ marginal farmers and other farmers.

(Action: SLBC)

ACTION TAKEN: Banks were requested to provide segregated data for financial assistance extended by them to small/ marginal farmers and other farmers. Only, a few banks have provided data in this regard and as per information received, they have extended finance to 192.84 Crore to 31101 farmers belonging to others category and Rs. 508.88 Crore to 99655 farmers of small & marginal category. Bank-wise details is furnished on **Page-6B**

[7] ACTION POINT- Roster of BLBC/ DLCC meetings should be prepared within 7 days.

(Action: SLBC & DIF, GoB)

ACTION TAKEN: - As decided, the roster of BLBC/ DLCC meetings was prepared by SLBC in consultation with the Department of Institutional Finance and circulated amongst all concerned. A copy of the same is furnished on **Page-6C** for information.

[8] ACTION POINT- In the remaining eight districts identified earlier for 100% financial inclusion, banks having lead responsibility should ensure that the task is completed by June 2010.

(Action: Concerned Lead Banks)

ACTION TAKEN: - The task of 100% financial inclusion has been accomplished in 13 out of 19 identified districts in the State. For the remaining six districts, Controlling Heads of banks have been advised to ensure completion of the task at the earliest.

[9] ACTION POINT- Indira Awas Yojana beneficiaries should be provided additional financial assistance under DRI Scheme to enable them to complete their respective dwelling units.

(Action: All Banks)

ACTION TAKEN: - Controlling Heads of banks operating in the State have been advised to instruct their operating functionaries to extend the needed financial assistance to the Indira Awas Yojana beneficiaries under Differential Rate of Interest Scheme. Only a few banks have furnished the requisite information in this regard, a total of 46 beneficiaries were extended financial assistance amounting to Rs. 9 lakh. Details is furnished on **Page-6D**

[10] ACTION POINT- A workshop should be organised by SLBC and Business Correspondents operating in the State should be invited for making presentations regarding the technology being adopted by them for providing banking services to the rural masses so that banks may utilise their services for greater financial inclusion.

(Action: All Banks and Slbc)

ACTION TAKEN: - A workshop was convened on 21.07.2010 by SLBC and RBI and Business Correspondents operating in the State were invited for making their presentations. RBI also invited Institute for Development & Research in Banking Technology (IDRBT) and Unique Identification Authority of India (UIDAI), whose representatives participated in the meeting and made useful presentations. Minutes of the said meeting are furnished on **Page-6E to F**

[11] ACTION POINT- Banks should extend financial assistance to units providing storage facility like rural-godowns etc.

(Action: All Banks)

ACTION TAKEN: - All banks operating in the State have been advised to extend financial assistance to units providing storage facility. Some major banks have provided data regarding financing of such units. A total of 25 units were financed by banks amounting to Rs. 5.34 crore. Bank-wise details are furnished on **Page-20G**

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STATE LEVEL BANKERS' COMMITTEE, BIHAR

KEY INDICATORS

(ALL SCHEDULED COMMERCIAL BANKS)

(Amt Rs in Crore)

Sl. No.	ITEMS	MAR 2010	JUNE 2009	JUNE 2010	Bench-mark
1	DEPOSITS	98558.28	83680.41	99636.00	
2	ADVANCES	31678.55	25576.71	30217.37	
3	CD RATIO	32.13	30.56	32.23	
4	PRIORITY SECTOR ADVANCES	21247.50	16037.06	21175.44	
5	SHARE OF PSA IN TOTAL ADV. (%)	71.15%	66.15%	70.08%	40 %
6	AGRICULTURAL ADV.	11915.98	9249.19	12784.93	
7	SHARE OF AGL. ADV IN PSA (%)	39.90%	38.15 %	42.31%	18 %
8	MSME ADV.	3255.20	1987.76	3235.41	
9	SHARE OF MSME ADV. IN PSA (%)	10.90%	8.20 %	10.71%	
10	ADV. TO WEAKER SEC.	7966.49	6282.85	7848.61	
11	SHARE OF WEAKER SEC. IN PSA (%)	26.68%	25.92 %	25.97%	10 %
16	DRI ADV.	31.71	11.11	34.74	
17	SHARE OF DRI ADV IN PSA (%)	0.11%	0.05%	0.12%	1 %
18	ADV. TO WOMEN	1097.74	134.31	212.54	
19	SHARE OF ADV. TO WOMEN IN WSA (%)	5.17%	0.83 %	2.71	5 %

BRANCH NETWORK

A	RURAL	2554	2439	2561	
B	SEMI-URBAN	889	770	907	
C	URBAN	730	636	756	
D	TOTAL	4173	3845	4224	

(NOTE- SHARE OF AGL.ADV./ MSME ADV/ WEAKER SECTION ADV. DRI ADVANCES & ADVANCES GRANTED TO WOMEN WORKED OUT IN TOTAL ADVANCES)

AGENDA-III

REVIEW OF ACHIEVEMENT UNDER ANNUAL CREDIT PLAN 2010-11

The performance of all banks under the Annual Credit Plan 2010-11 during the quarter ended June 2010 is as follows:-

(Rs. in Crore)

Banks	Annual Target	Achievement as upto 30.06.2010	% Ach.
Comm. Banks	27467.70	3822.65	13.92
Co-op. Banks	1841.13	32.70	1.78
RRBs	7691.17	305.58	3.97
Total	37000.00	4160.93	11.25

Sector-wise break-up of targets and achievement:

(Rs. in Crore)

Sector	Annual Target	Achievement as upto 30.06.2010	% Ach.
Agriculture	15868.11	1326.02	8.36
MSE	1947.30	473.58	24.32
OPS	4343.62	707.41	16.29
TPS	22159.03	2507.01	11.31
NPS	14840.97	1653.92	11.14
Total	37000.00	4160.93	11.25

Banks up to the end of June 2010 have extended total credit of Rs.4160.93 Crore to various sectors, which is 11.25% of the overall target under the ACP 2010-11.

Bank-wise, district-wise position is furnished on **Page-**

PERFORMANCE UNDER ACP DURING THE FIRST QUARTER OF 2010

(Rs. in Crore)

Banks	2010-11		2009-10		2010-11	2009-10	YOY increase in disbursement (%)
	Annual Target	Ach. in First Qtr.	Annual Target	Ach. in First Qtr	% Ach	% Ach	
Comm.	27467.70	3822.65	16373.55	2487.23	13.92	15.19	53.69
Co-op	1841.13	32.70	1182.33	11.72	1.78	0.99	179.01
RRBs	7691.17	305.58	3574.91	154.54	3.97	4.32	97.74
Total	37000.00	4160.93	21127.79	2653.49	11.25	12.56	56.81

(Rs. in Crore)

Sector	2010-11		2009-10		2010-11	2009-10	YOY increase in disbursement (%)
	Annual Target	Ach. in First Qtr	Annual Target	Ach. in First Qtr	% Ach	% Ach	
Agl.	15868.11	1326.02	8727.17	794.98	8.36	9.11	66.80
MSE	1947.30	473.58	1321.74	168.80	24.32	12.77	180.51
OPS	4343.62	707.41	3871.43	701.51	16.29	18.12	0.84
TPS	22159.03	2507.01	13920.34	1665.29	11.31	11.96	50.54
NPS	14840.97	1653.92	7207.45	988.20	11.14	13.71	67.37
Total	37000.00	4160.93	21127.79	2653.49	11.25	12.56	56.81

Comparative performance shows that the overall achievement as on 30.06.2010 is only 11.37%, as against 12.56% achievement recorded during the corresponding period last year. This is primarily attributable to the sharp increase in targets under ACP this year. In fact, in absolute terms, banks have disbursed substantially higher quantum of loans during the quarter under review, as compared to the amount disbursed in the corresponding period last year. It will be seen that Cooperative Banks, RRBs and Commercial Banks have recorded impressive growth in their loan disbursements vis-a-vis their performance during the same quarter last year. As to sector-wise growth, it will be observed that advances to MSE segment have increased significantly in the quarter under review, which is partly due to higher credit extension by banks under PMEGP Scheme.

AGENDA-IV

DROUGHT IN BIHAR- RELIEF MEASURES BY BANKS

The State has been hit by drought again this year. Initially, only 28 of the 38 districts of the state were declared by the State Government as drought-hit, in terms of notification No. 1927 dated 04.08.2010. A special meeting of the State Level Bankers' Committee, Bihar was convened on the 11th August 2010 under the Chairmanship of the Development Commissioner which was attended by the Principal Secretary-Finance, Principal Secretary-Disaster Management, RBI, NABARD and the Controlling Heads of all major banks operating in the State. Discussions in the meeting focussed mainly on implementation of relief measures by banks in the affected areas as per guidelines contained in the RBI Master Circular No. RPCD.No.PLFS.BC.1/ 05.04.02/ 2010-11 dated 01.07.2010. Later, the Hon'ble Chief Minister, Bihar declared the remaining 10 districts of the State also as drought-affected.

Accordingly, the Lead District Managers of all the affected districts were advised by SLBC to implement the relief measures as per the following decisions taken in the said meeting:

- ⌘ A special meeting of the District Consultative Committee (DLCC) should be called within a week in the drought-hit districts to review the situation and an Action Plan be prepared by the Lead Bank for extending relief measures. The Action Plan so prepared should also be submitted to SLBC to facilitate a review of the situation at the State level.
- ⌘ Relief Measures should be undertaken by banks as per instructions contained in the Master Circular on Guidelines for Relief Measures by banks in areas affected by natural calamities issued by Reserve Bank of India. (Reference: RBI/ 2010-11/ 101-RPCD.No. PLFS.BC.1/ 05.04.02/ 2010-11 dated 01.07.2010)
- ⌘ Consumption loans and loans under Differential Rate of Interest Scheme should be provided to the affected people.
- ⌘ Banks should ensure that all crop loans are covered by crop insurance. The benefit of crop insurance coverage should be extended to non-borrower farmers also. Further, the amount of settled crop insurance claims should be immediately credited to the beneficiaries' accounts.

- ⌘ All eligible outstanding loans should be restructured/ rescheduled as per extant norms.
- ⌘ Banks should take expedient steps to disburse loans sanctioned under Bihar Ground Water Irrigation Scheme (BIGWIS) are disbursed. Also, it may please be ensured that all applications generated under the Scheme are sanctioned and disbursed, at an early date.
- ⌘ Mega Credit Camps should be organised at the district/ block level to provide loans to the affected masses.
- ⌘ While granting financial assistance to the needy and affected people, prospective borrowers for Rabi Crops may also be identified well in time.
- ⌘ Wide publicity should be given by publishing a suitable advertisement on relief measures in the local newspapers, to inform the people about rescheduling/ rephasing of loan accounts of the affected farmers by banks.

OTHER DECISIONS TAKEN IN THE MEETING:

- ⌘ A Special Meeting to be convened under the Chairmanship of the Development Commissioner every fortnight to review extension of loans and other facilities to the affected people by banks, until normal situation is restored in the affected areas of the State.
- ⌘ Principal Secretary-Finance requested that the loans restructured last year may also be restructured this year as drought has affected most of the districts for the second year in succession and the repaying capacity of the borrowers may have been affected. Further, he desired that the interest subvention being provided to farmers for short term production loans should continue to be available even after rescheduling of loans. He requested the Regional Director, Reserve Bank of India to take up the matter at appropriate level for getting the necessary approval in this regard.
- ⌘ The Chief General Manager, State Bank of India, Patna informed the House that Agri Gold Loans may also be provided to the affected people on a large scale. Wide publicity needs to be given to this product which may provide more relief to the drought-affected farmers.

As a follow up measure, the House is requested to initiate discussion in the context of the above decisions taken in the Special Meeting, so as to add further impetus to the efforts being made by banks in this regard.

FINANCIAL INCLUSION

As per information gathered from the Lead Banks, the position of overall financial inclusion in the 19 districts identified in the 1st phase stands at 98.13%.

District-wise position is shown below:

% age achievement as on date	Identified Districts
100%	1. Purnea 2. Supaul 3. Saharsa 4. Gopalganj 5. Sheohar 6. Sheikhpura 7. Siwan 8. Buxar 9. Vaishali 10. Gaya 11. Bhojpur 12. Sitamarhi 13. Rohtas
Above 95%	1. Saran 2. Madhubani 3. Munger 4. Khagaria 5. Katihar
Below 95%	1. Banka

Three more districts, namely, Sitamarhi (Lead Bank: BoB), Gaya and Rohtas (Lead Bank: PNB) have accomplished 100% FI since the last review meeting. The issue of 100% FI was also discussed and reviewed in the Steering Committee meeting of SLBC on SHG & IT-Enabled Financial Inclusion held on 30th July 2010. In the said meeting, it was resolved that the concerned lead banks would complete the task of 100% FI in the identified districts by August 2010. However, 6 districts are yet to achieve the target. Controlling Heads of all lead banks are once again requested to impress upon the concerned banks to achieve the target by the end of September 2010.

Further, it was also decided that the target of 100% FI in the remaining 19 districts identified in the 02nd Phase should be achieved by December 2010. The Lead District Managers were advised to furnish the information in the prescribed format to SLBC so that the same may be placed before the House for review, but no LDM has submitted the desired information to SLBC. LDMs of these districts are once again requested to initiate concerted efforts for accomplishing the task of 100% FI at the earliest, latest by December 2010. District-wise position is furnished on **Page-**

EDUCATION LOANS

Providing education loans to all the meritorious and needy students to enable them to meet the expenses of higher studies not only in the State but also out-side the State in India and abroad is one of the main priorities of banks operating in the State.

During the first quarter of the current financial year, loans amounting to Rs.217.79 Crore have been sanctioned to 5351 students, as against Rs.172.05 Crore sanctioned to 3995 students during the corresponding period last year. Further, as the period from June to August is supposed to be the peak time for admission of students in different academic institutions, financing under education loan schemes is expected to increase in the coming quarter. Bank-wise performance is furnished on **Page-**

PM'S NEW 15-POINT PROGRAMME FOR WELFARE OF MINORITY COMMUNITY

Under the Programme, banks have to ensure that within the overall target for Priority Sector lending and the sub-target of 10 % for the weaker sections, minority communities receive an equitable proportion of the credit.

With this objective in view, 121 minority concentrated districts all over the country have been identified exclusively for monitoring the credit flow to minority communities. In Bihar, the following seven districts are identified minority concentrated districts:-

(i) Kisanganj (ii) Araria (iii) Purnea (iv) Katihar (v) Sitamarhi (vi) Darbhanga, and (vii) West Champaran

The performance of banks as on 30.06.2010 has improved considerably in Sitamarhi district as 18.49% of the total priority sector advances have been granted to persons belonging to minority communities (up from 7.27 % as on March 2010). Overall, loans amounting to Rs. 948.88 Crore (32.48% of total PSA) were sanctioned to minority communities in these districts out of total priority sector advances of Rs. 2921.82 Crore.

District-wise performance regarding loans extended to minority communities in the identified districts is furnished on **Page-**.

AGENDA-V

GOVT. SPONSORED SCHEMES/ PROGRAMMES

(A) BIHAR GROUND WATER IRRIGATION SCHEME (BIGWIS)

Bihar Ground Water Irrigation Scheme (BIGWIS) is being implemented by the Department of Minor Water Resources, Government of Bihar in co-ordination with NABARD, Regional Office, Patna with the objective of providing irrigation facility to the needy farmers covering 9.28 lakh hectares of land in the State by helping beneficiaries in installing 4,64,000 tube-wells/ dug-wells with pump-sets, by the end of the 11th Five Year Plan, ending March 2012.

Only 6659 applications for loans amounting to Rs.33.43 Crore were sanctioned by banks and out of these 5276 applications were disbursed, amount involved being Rs.21.72 Crore. In view of the severe drought situation in the State, all banks should ensure that all applications received and found in order are sanctioned and loans are disbursed at the earliest.

SLBC has already provided the list of pending BIGWIS applications to the Controlling Heads of banks with a request to disburse these loans expeditiously. Further, targets under the Scheme have not been settled till date which is coming in the way of sanction by banks. The targets may please be settled and advised to all concerned so that concerted efforts may be initiated for achieving the targets.

Bank-wise performance is furnished on **Page-**

(B) PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME (PMEGP)

The targets for the current year have already been fixed and circulated amongst all concerned. Against the physical targets of 6258 projects, banks have sanctioned 723 projects involving Rs. 32.85 Crore during the first quarter of FY 2010-11. For timely and quick sanction and disbursement of loans under the Scheme, all concerned should put in more strenuous efforts. The performance under the Scheme should also be reviewed in DLCC meetings and effective measures should be initiated for improving the performance of poorly performing branches. Bank-wise performance is furnished on **Page-**

(C) SWARN JAYANTI GRAM SWAROZGAR YOJNA (SGSY)

Disposal of loan applications as on 30.06.2010 under SGSY during the year 2010-11:

(Rs. in Crore)		
PARTICULARS	NUMBER	AMOUNT
Targets for individual swarojgaris (including individuals of groups)	278264	656.25
Proposals received	39392	
Proposals sanctioned	36786	43.69
% of sanction against applications received	93.38%	
Proposals disbursed	36229	38.58
Achievement in % (sanction / target)	-----	13.22%
Achievement in % (disb / target)	-----	13.02%
Proposals returned/rejected		212
Proposals pending		2394

(Number of applications sanctioned includes both individuals and groups)

Performance of all banks under the Scheme at 13.22% as on 30.06.2010 is considered satisfactory. Bank-wise performance is furnished on Page-

BANK-WISE FINANCING OF SELF HELP GROUPS (SGSY) AS ON 30.06.2010

BANKS	GROUPS FINANCED	
	No.	Amount (Rs. in lacs)
State Bank of India	682	594
Central Bank of India	173	243
Punjab National Bank	341	472
Canara Bank	32	20
Bank of Baroda	76	93
Union Bank	35	36
Bank of India	174	152
Allahabad Bank	207	317
Indian Bank	84	94
Syndicate Bank	4	8
United Bank of India	122	167
Madhya Bihar Gramin Bank	63	125
Bihar Kshetriya Gramin Bank	175	65
Samastipur Kshetriya Gramin Bank	63	49
Uttar Bihar Gramin Bank	870	808
Total	3201	3243

As on June 2010, banks have extended loans to 3201 SHGs under SGSY, as against 2422 groups financed during the corresponding period last year, thus registering an impressive growth of 32.16%.

The House is requested to review the position.

D) SWARNJAYANTI SHAHARI ROJGAR YOJANA (SJSRY)

Against the receipt of 744 applications, 641 applications involving Rs.164 lakh have been sanctioned and disbursed as on 30.06.2010, while during the corresponding period last year, loans amounting to Rs.55 lakh were disbursed to 124 beneficiaries. Thus, an increase of over 416% has been registered in terms of number of beneficiaries covered. Bank-wise position is furnished on **Page-**

AGENDA-VI

FINANCE TO SELF HELP GROUPS (SHGs)

Access to timely and adequate credit and other financial services by the vulnerable and weaker sections of the society at an affordable cost is essential for the overall economic development of the society. With this objective in view, SHGs play a very crucial and effective role, and banks spearhead their efficacies through credit linkages with them.

Banks have credit-linked 7287 SHGs as upto 30.06.2010 in the current FY, with total Bank-finance of Rs. 52.86 Crore. An impressive growth of over 114% and 130% was witnessed in terms of no. of groups credit-linked and amount of credit support extended respectively against banks' performance in same period last year. Year-wise performance under SHG Financing is given hereunder:

(Rs. in Crore)		
Year	Number of new SHGs	Bank finance provided
UP TO 2000-04	16246	51.82
DURING 2004-05	11769	37.42
DURING 2005-06	18206	31.20
DURING 2006-07	26517	82.54
DURING 2007-08	49738	240.99
DURING 2008-09	25696	211.44
DURING 2009-10	30241	295.05
DURING 2010-11 (UPTO JUNE 2010)	7287	52.86

Year-wise position of SHG bank-linkage as on 30.06.2010 is furnished on Page-

AGENDA-VII

KISAN CREDIT CARD (KCC)

REVIEW OF PROGRESS AS ON 30.06.2010

A summarised statement of targets vis-à-vis kisan credit cards issued by Commercial Banks, RRBs and Co-operative Banks up to 30/06/2010 is given below:

Banks	Target (No.)		Sanctioned (No.)		% Achievement	
	New	Renewal	New	Renewal	New	Renewal
Comm. Banks	861430	287144	89236	40306	10.36%	14.04%
RRBs	478570	159523	25485	3841	5.33%	2.41%
Co-op. Banks	160000	53333	4601	17485	2.88%	32.78%
TOTAL	1500000	500000	119322	61632	7.95%	12.33%

It is evident from the above Table that banks operating in the State have sanctioned loans to 180954 beneficiaries under KCC during the first quarter of the financial year while during the corresponding period last year, only 122126 beneficiaries were extended loans under KCCs, a very impressive growth of over 48% has been witnessed during the quarter under review.

Further, average financing under KCC by Commercial Banks as on June 2010 stands at Rs.44,000/-, by RRBs at Rs.41,000/- and by Co-operative Banks at Rs.18,000/-.

Bank wise/ district-wise performance is furnished on **Page-**

NATIONAL AGRICULTURAL INSURANCE SCHEME (NAIS)

As advised by the Patna Regional Office of Agriculture Insurance Company of India Limited, 17790 farmers have been covered under NAIS while 43864 farmers have been extended the benefit of crop insurance coverage under WBCIS. Thus, a total of 61654 farmers have been provided the crop insurance cover for KHARIF 2010, the sum insured being Rs.13870 Crores. It appears that all the crop loans disbursed have not been covered

by insurance since there is a considerable gap between the no. of crop loans disbursed during the period and no. of farmers to whom the benefit of crop insurance has been extended. All banks should review the position and ensure that insurance cover under NAIS is provided to all eligible farmers, which has become even more important in view of the wide-spread drought situation in the State.

The position of insurance under WBCIS and NAIS for Kharif 2010 upto 27th August 2010, as advised by Agriculture Insurance Company of India Ltd, is furnished on **Page-**

DAIRY, FISHERY & POULTRY

Banks have extended loans amounting to Rs. 12.64 Crore to 1625 beneficiaries under various Dairy Development schemes, Rs.2.72 Crore to 302 beneficiaries under Fishery schemes and Rs. 1.81 Crore to 112 beneficiaries under Poultry schemes. All banks are requested to initiate concerted efforts for achieving the targets set for these schemes.

Bank-wise performance data is furnished on **Page-** , for discussion and review by the House.

FARM MECHANISATION

Against the target of 21011 units for the current financial year, banks have extended finance of Rs. 42.28 Crore to 1688 farmers for purchasing farm equipments during the first quarter of the current financial year. Controlling heads of all banks are requested to advise their branches to initiate requisite measures so that the targets set under Annual Credit Plan are achieved.

Bank-wise performance data is furnished on **Page-** , for discussion and review by the House.

SMALL ROAD TRANSPORT OPERATORS (SRTOS)

During the quarter ended June 2010, banks have extended finance amounting to Rs.33.55 Crore to Small Road Transport Operators (SRTOS) for purchasing 1044 vehicles, against the target of 9428 vehicles.

Bank-wise performance vis-a-vis targets allotted to them is furnished on **Page-**

ADVANCES GRANTED UNDER CGTMSE COVERAGE

A total of 1754 units were financed by banks involving Rs.62.76 Crore with Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) cover. Banks are requested to extend more finance to units willing to avail loans under CGTMSE cover as per extant guidelines of the Reserve Bank of India.

Bank-wise performance data is furnished on **Page-** , for discussion and review by the House.

ADVANCES GRANTED TO UNITS PROVIDING STORAGE FACILITY

In the last review meeting of SLBC held on 17.06.2010, the Hon'ble Deputy Chief Minister and Finance Minister had suggested that banks should promote financing of the units providing storage facility such as Rural Godowns, Cold Storage etc. In view of the improvement in the production of cereals in the last few years and the need for safe-keeping the agricultural produce, banks were requested to extend financial assistance for enhancing storage facilities. Only some banks have furnished the requisite data in this regard. A total of 25 units have been financed by banks with loans amounting to Rs.5.34 Crore during the first quarter of the current fiscal. Controlling Heads of all banks are requested to instruct their operating functionaries to intensify efforts for financing such units.

Bank-wise performance is furnished on **Page-**

AGENDA-VIII

CD RATIO (As on 30.06.2010)

(Rs. in Crore)

Bank	Deposits	Advances	CD ratio
Comm. banks	85799.56	24825.55	28.93%
Co-op. banks	1524.88	631.67	41.42%
RRBs	12311.56	4760.15	38.66
Total	99636.00	30217.37	30.33
RIDF	-----	1891.41	
Grant Total	99636.00	32108.78	32.23

As at the end of June 2010, CD Ratio stood at 32.23 % which shows an increase of 167 basis points YoY. However, an improvement of 10 basis points only has been witnessed in the CD Ratio, as compared to last quarter even though the incremental CD ratio for the quarter under review is over 41%.

Further, there are five districts, namely, Lakhisarai (24.90%), Patna (23.70%), Saran (23.45%), Munger (20.98%) and Siwan (18.54%) where CD ratio is below 25%. Lead District Managers of these districts and their Controlling Heads of banks have been advised by SLBC to urge them to extend more credit in these districts so as to improve the CD ratio by adopting suitable strategies.

Bank-wise details as on June 2010 are furnished on **Page-**

MEASURES FOR IMPROVING THE CD RATIO IN BIHAR

Efforts need to be made to bring in huge investments for infrastructure development such as urban development, transport, tourism, civil aviation and industries so that banks may also commit manifold increase in credit flow and improve the C D Ratio in the State. An ambitious ACP target has been fixed for the current year with a view to improving the CD ratio to 35%.

District-wise position as on 30.06.2010 is given on **Page-**

RECOVERY

A summary of the recovery data (as on 30.06.2010) is given below.

(Rs.in Crore)

Bank	Demand raised	Amount recovered	Recovery %
Comm. Banks	5422.53	2517.78	46.43
Co-op. Banks	316.04	7.36	2.33
RRBs	1016.38	744.54	73.25
Total	6754.95	3269.68	48.40

Recovery percentage at 48.40% of the total demand raised by banks as on the 30th June 2010, indicates an upsurge in NPAs. Bank-wise position of recovery as on 30.06.2010 is furnished on **Page-**

NPAs & WRITE-OFF

As on 30.06.2010, overall position of NPA and the amount of loans written off are as under:

(Rs. in Crore)

Banks	Total Adv.	Total NPA	% of NPA	Amt. written-off	% of written-off amt. to total advances
Comm. Banks	24825.55	1752.14	7.06	691.71	2.79
Co-op. Banks	631.67	72.48	11.47	-----	-----
RRBs	4760.15	241.07	5.06	221.42	4.65
Total	30217.37	2065.69	6.84	913.13	3.02

The position of NPA as on 30.06.2010 is far from satisfactory, especially when it is compared with national average. As such, all out efforts need to be made for bringing down the NPA level below 5%. Due to large amount of advances written off every year, CD Ratio has also been affected. Bank-wise details are furnished on **Page-**

The House may review the position.

CERTIFICATE CASES

As on 30.06.2010, overall position of Certificate Cases filed by all banks is furnished below:

(Rs. in Crore)

Banks	Total Cases (Accounts)	Total Cases (Amount)	Cases disposed of (Accounts)	Cases disposed of (Amount)	Pending Cases (Accounts)	Pending Cases (Amount)
Comm.	328309	7423.71	1444	16.28	326865	7407.43
Co-op	N.R.	N.R.	N.R.	N.R.	N.R.	N.R.
RRBs	36872	32.49	223	0.38	36649	32.11
Total	365181	7456.20	1667	16.66	363514	7439.54

It is evident from the above Table that only 0.46% cases have been disposed of, and still 363514 cases involving Rs. 7439.54 Crore are pending at different stages. This is a substantially large amount which if recovered and recycled can enhance disbursements under ACP: 2010-11 by more than 20%. The State Government is earnestly requested to instruct all concerned for early disposal of these cases. Details are furnished on Page-

The House may review the position.

PRIORITY SECTOR LENDING

As on 30.06.2010, the national benchmark of 40% for the share of priority sector advances in total advances has been achieved by almost all banks. Bank-wise position is furnished on Page-

The House may notice that the ratio of priority sector advances to total advances is as high as 70.08%, which is well above the benchmark of 40%.

AGRI CREDIT

At the State level, the ratio of Agri Credit to Total Advances stands at 42.31% as on 30.06.2010, against the national benchmark of 18%. However, a few banks have failed to achieve the benchmark. Bank-wise position is furnished on **Page-**

DIFFERENTIAL INTEREST RATE (DIR)

As on the 30th June 2010, the aggregate advances level under DRI Scheme stands at Rs. 34.74 Crore, which is 0.12% of the total advances of Rs. 29863.53 Crore as on 31.03.2010. In terms of the national benchmark, the minimum level of DIR Advances should be 1% of the aggregate advances as at the 31st March of the previous year. In view of the present drought situation in the State, banks should provide more loans under the Scheme to the needy and eligible beneficiaries, and ensure maximum coverage of people belonging to SC/ST and women categories, apart from providing Top-up Loans to the beneficiaries of Indira Awas Yojana. The Industries and Rural Development departments of the State Government are requested to sponsor/ help source such proposals. Also, banks should step up financing of the rural artisans like carpenters, blacksmiths, dhobis, cobblers etc. under the Scheme. All banks are also requested to monitor the progress in this regard so that not only the benchmark is achieved but also the drought affected people of the State get the much needed financial assistance under the Scheme.

Bank-wise position is furnished on **Page-**

WEAKER SECTIONS

Banks have extended finance amounting to Rs. 7848.61 Crore out of the aggregate advances of Rs.30039.01 Crore to Weaker Sections of society, which stands at 25.97% of the total advances against the benchmark of 10%. Bank-wise position is furnished on **Page-**

AGENDA-IX**EXTENSION OF BANKING SERVICES TO VILLAGES HAVING POPULATION OF MORE THAN 2000 BY MARCH 2012**

The 'Roadmap' prepared by banks in accordance with the guidelines issued by the Reserve Bank of India aims at providing banking outlets by way of a branch or through a BC-based model in all villages having a population of more than 2000 by the end of the current Five Year Plan i.e. March 2012. Accordingly, 9324 villages have been identified for setting up such banking outlets. In the last review meeting, banks were asked to submit the details of the mode and the date of opening of banking outlets in the villages allotted to them. In the said meeting, the Hon'ble Deputy Chief Minister and Finance Minister had suggested that banks should preferably cover more than 50% of the villages allotted to them in the current financial year itself i.e. by March 2011 in order to provide for faster delivery of the benefit of Financial Inclusion to the people of the State.

In this connection, SLBC, Bihar has also requested the Principal Secretary-Finance, and Reserve Bank of India, Patna to direct the banks to furnish the requisite information in this regard to SLBC. However, despite our best efforts and even after several reminders sent to banks and requests made over telephone, the detailed roadmap indicating the mode of banking outlets and the tentative date of opening the same is yet to be received from some banks (Madhya Bihar Gramin Bank, Uttar Bihar Gramin Bank and Andhra Bank), because of which SLBC has not been able to upload even the Provisional Roadmap on its website for the information of the people of the State, as desired. Also, the roadmap provided by some banks does not conform to the format circulated to them in this regard. Therefore, the House is requested to advise the concerned banks to furnish the requisite roadmap in the prescribed format so that progress made by banks can be reviewed/ monitored in SLBC meetings.

AGENDA-X

BANKING CODE

The Banking Codes & Standards Board of India (BCSBI) has set a voluntary Code with minimum standards of banking practices for dealing with the customers. The main objective of the Code is to provide fair treatment to our customers. The Code is applicable for all the products and services being rendered by the banks to their customers. The Code was released on 1st July 2006 and was adopted by the member banks for compliance. BCSBI later revised the Code in August 2009. However, although almost a period of one year has gone by, but the awareness regarding the revised Code has not percolated to all levels among bankers. Accordingly, BCSBI has been invited to make a presentation on the revised Code so that banks may discuss the same and ensure its application in their branches.

INTEREST SUBSIDY SCHEME FOR HOUSING THE URBAN POOR (ISHUP)

The Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) was launched on 26th December 2008 for financing the housing needs of the urban poor. The Ministry of Housing & Poverty Alleviation (MoHUPA) is implementing the Scheme. The Scheme is meant for ameliorating the living conditions of the Economically Weaker Section (EWS)/ Low Income Group (LIG) population in the urban areas through affordable loans from primary lending institutions like banks and Housing Finance Institutions (HFIs). BPL beneficiaries are covered under EWS/ LIG and, therefore, they are part of the Scheme. This is a Central Sector Scheme where State government would identify a Nodal Agency at the State and district levels. The notified agency will certify eligibility norms based on the income certification of the beneficiaries done by the concerned State revenue authorities. This is a demand driven loan scheme aiming at facilitating institutional loans to EWS/ LIG beneficiaries. Interest subsidy of 5% from Government of India, Ministry of Housing & Poverty Alleviation (MoHUPA) is provided under the Scheme. The subsidy under the Scheme itself improves affordability and mitigates the default risk. Primary security under the Scheme is the dwelling unit which can be mortgaged and the lenders are free to satisfy themselves about the security and other aspects without diluting their norms.

OPENING OF "NO-FRILLS" ACCOUNTS FOR STUDENTS BELONGING TO MINORITY COMMUNITIES SEEKING SCHOLARSHIPS

The Ministry of Finance, Department of Financial Services (Credit Policy Division), Government of India has been advised by the Ministry of Minority Affairs, Government of India that they have received feedback regarding banks not opening "No-Frills" accounts of students belonging to Minority Communities who wish to avail of the scholarships being awarded by the Ministry of Minority Affairs. This is causing inconvenience to applicants for scholarship schemes of the said Ministry. Accordingly, SLBC has been advised by the Ministry of Finance, Department of Financial Services, Government of India to ensure that banks are adhering to the guidelines issued by the Reserve Bank of India from time to time for opening "No-Frills" accounts for the purpose of greater Financial Inclusion. All banks are, therefore, requested to instruct their operating functionaries to open "No Frills" accounts of the students of the Minority Communities seeking scholarships as per extant norms to enable them to get scholarships from the Ministry of Minority Affairs. The instructions received from the Ministry of Finance in this regard have already been advised to the Controlling Heads of all banks operating in Bihar by letter No.-RBU-I/SLBC/1085 dated 28.08.2010. Moreover, a copy of the letter bearing F. No.7 (61)/2008-CP dated 11.08.2010 received from the Ministry of Finance, Department of Financial Services (Credit Policy Division), Government of India along with the letter received from the Ministry of Minority Affairs, Government of India is furnished on Page- for information.

SCHEME FOR PROVIDING LOANS TO PERSONS BELONGING TO SECHEDULE CASTES (BELOW POVERTY LINE): SUB PLAN UNDER SUBSIDY SCHEME

Persons belonging to Schedule Castes and living below poverty line should be financially assisted through bank loans/ subsidies under the Scheme. Projects costing upto Rs. 35000/- for generation of self-employment may be sanctioned under the Scheme. Subsidy is provided upto 50% of the project cost, subject to a maximum of Rs. 10000/- on individual basis. A copy of the letter received from Bihar State Schedule Castes Cooperative Development Corporation Ltd. is furnished on Page-.....for information of all concerned.

In this connection, the State Level Bankers' Committee, Bihar has already advised Controlling Heads of all banks operating in the State, by Letter No. RBU-I/SLBC/695 dated 28.08.2010 enclosing a copy of letter No.-9/10-11/1493 dated 20.07.2010 received from Bihar State Schedule Castes Cooperative Development Corporation Ltd. containing the salient features of the scheme.

The House is requested to advise the concerned department of the State Government to sponsor adequate no. of loan applications under the Scheme and banks may please initiate suitable steps for extending loans under the Scheme and submit the progress made in this regard to SLBC on a regular basis.

PRADHAN MANTRI ADARSH GRAM YOJANA (PMAGY)

Pradhan Mantri Adarsh Gram Yojana (PMAGY) a Centrally-sponsored Scheme of Ministry of Social Justice & Empowerment, Government of India has been formulated for integrated development of a thousand select villages in the country with more than 50% SC population. The scheme is to be implemented on a pilot basis in five States, namely, Uttar Pradesh, Bihar, Rajasthan, Tamilnadu (225 villages in each State) and Assam (100 villages) as advised by the Government of India.

Further, Government of India has also advised that the Scheme aims at achieving all round integrated development of selected villages, primarily through convergent implementation of all relevant Central and State Schemes in such villages and to the extent their needs cannot be met through the Schemes, by meeting such needs through "gap-filling" funds for which central assistance will be provided @ Rs. 10 lacs per village, with State Government also expected to make a suitable, preferably, matching contribution.

In this connection, the State Level Bankers' Committee, Bihar has already requested the Secretary, SC/ST Welfare Department, Government of Bihar, by letter No. RBU-I/SLBC/375 dated 20.05.2010 and RBU-I/SLBC/736 dated 10.07.2010 to provide the list of identified villages in accordance with the guidelines issued by the Government of India so that Controlling Heads of all banks and the concerned Lead District Managers may be advised to initiate requisite steps for effective implementation of the Scheme. The State Government is requested to advise the concerned department to provide a list of identified villages to SLBC for initiating needful action in the matter.
